

Application No.: 08/824,076

Art Group Unit 3624

January 8, 2004

Page 3

AMENDMENTS TO THE CLAIMS

Please amend the claims as follows:

1. (currently amended) A computer-assisted process for the establishment and maximization of the sale prices of a generic set of fungible items comprising the steps of:

conducting a primary auction for the sale of the generic set of fungible items based on purchase orders at fixed prices and/or conditional orders at prices contingent upon the sale of items in a second set of fungible items;

simultaneously conducting a secondary auction for the sale of said second set of fungible items; and

completing sales in the primary auction based on sales results in the secondary auction thereby establishing and maximizing the sales price of said generic set of fungible items as an interdependent function of sales prices of the second set of fungible items using the computer.

Q²

2. (original) The process of claim 1 wherein the generic fungible item is a new issue convertible bond of an underwriter and the second set of fungible items are common stock convertible with respect to the convertible bonds.

3. (original) The process of claim 1 including the further steps of:

conducting a tertiary auction simultaneously with the primary and secondary auctions for a third set of fungible items having contingencies relating to the sale of the generic fungible items and/or the second set of fungible items.

Application No.: 09/624,076

Art Group Unit 3624

January 8, 2004

Page 4

4. (original) The process of claim 2 including the further steps of:

conducting a tertiary auction simultaneously with the primary and secondary auctions for a third set of fungible items having contingencies relating to the sale of the generic fungible items and/or the second set of fungible items.

5. (original) The process of claim 4 wherein the tertiary fungible items are orders to loan stock, and said orders may be contingent upon the purchase of stock in the secondary auction.

6. (original) The process of claims 1 to 5 wherein sales prices of orders per unit are maximized as a function of order quantity electronically compared with quantities in orders within each respective simultaneous auction.

7. (original) The process of claim 1 wherein the generic fungible items are security instruments, and the conditional orders contingent upon the sale of items in the second set of fungible items are in the form of algorithms with constraints thereon that represent a willingness to transact, where price is a dependent variable of the algorithm within the constraints and the price of another security is an independent variable of the algorithm.

8. (original) The process of claim 7 wherein the order price of a conditional order, as represented by the algorithm, includes an order quantity subject to another algorithm.

Application No.: 09/624,076

Art Group Unit 3624

January 8, 2004

Page 5

9. (original) The process of claim 7 wherein the conditional order algorithm can be represented as a line in two dimensional space with constraints having the price of one security as one axis and the price of another security as its other axis.

10. (original) The process of claim 7 wherein the instrument includes bonds.

11. (original) The process of claim 7 wherein the instrument includes warrants.

12. (original) The process of claim 7 wherein the instrument variable may include multiple independent variables.

13. (original) The process of claim 7 wherein the instrument includes options.

14. (original) The process of claim 7 wherein the instrument includes futures.

Application No.: 09/824,076
Art Group Unit 3624
January 8, 2004
Page 6

15. (original) The process of claim 7 wherein the instrument includes forward contracts.

16. (original) The process of claim 7 wherein the instrument includes swap contracts.

17. (original) The process of claim 7 wherein the price of the conditional order may be a yield.

18. (original) The process of claim 7 wherein the price of the conditional order may be a volatility.

19. (original) The process of claim 7 wherein the price of the conditional order may be a yield spread.

20. (original) The process of claim 7 wherein one of the conditions of the conditional order is the requirement that another security is traded contemporaneously.

21. (original) The process of claim 7 wherein one of the conditions of the conditional order is that no transaction can occur when the independent price is above or below set limits.

Application No.: 09/624,076

Art Group Unit 3624

January 8, 2004

Page 7

22. (original) The process of claim 7 wherein one of the conditions of the conditional order is that the price is not to exceed a specified level regardless of the results produced by the algorithm.

a²
23. (original) The process of claim 7 wherein one of the conditions of the conditional order is that the price is not to be less than a specified level regardless of the results produced by the algorithm.

24. (original) The process of claim 7 wherein one of the conditions of the conditional order is the requirement that the orders be match/compared without use of prices fed from said external multiple exchanges.
